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ABSTRACT

Private foundations are attempting to move away from educational reform approaches based on model development. The limits of the "Johnny Appleseed" (sowing seed and moving on) mode of grantmaking are coming clear. Persistence--a willingness to commit resources to an issue or institution for 5 to 10 years--will need to be an operating principle in any new mode of strategic philanthropy, especially in an era of public fiscal constraint. As years of public policy implementation convey, change takes time, particularly when the targets are schools and school districts built on complex patterns of organizational and individual behavior. But, for foundations, persistence bumps against other, vital principles, such as leverage, maximum flexibility, stewardship, and pluralism. Three different Chicago (Illinois) foundations, the Chicago Community Trust, the Joyce Foundation, and the Woods Fund of Chicago, which have been funding Chicago school reform for over 7 years, offer clues as to the sources and nature of the dilemma created by persistence. Three figures and one table illustrate the discussion. (Contains 37 references.) (Author/SLD)

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ED 386 507

Reforming Chicago's Public Schools: Philanthropic Persistence, 1987-1993

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March 9, 1995

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This paper has been reviewed by staff at each of the case study foundations. Nonetheless, the author bears full responsibility for all facts and interpretations.

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ABSTRACT

Private foundations are attempting to move away from educational reform approaches based on model development. The limits of the "Johnny Appleseed" mode of grantmaking are coming clear. Persistence--a willingness to commit resources to an issue or institution for five to ten years--will need to be an operating principle in any new mode of strategic philanthropy, especially in an era of public fiscal constraint. As years of public policy implementation convey, change takes time, particularly when the targets are schools and school districts built on complex patterns of organizational and individual behavior. But, for foundations, persistence bumps against other, vital principles, such as leverage, maximum flexibility, stewardship and pluralism. Three different Chicago foundations, which have been funding Chicago school reform for over seven years, offer clues as to the sources and nature of the dilemma created by persistence.

INTRODUCTION

> The reality is that most foundations [working on educational reform] tend to think of themselves as being more in the model development business. We say we'll fund this thing and get it up and running, and then it's up to the government to figure out how to spread it. (Robert B. Schwartz, director of the education program at the Pew Charitable Trusts; *Education Week*, December 14, 1994, p. 6)

Private foundations do a great Johnny Appleseed imitation. Like the legendary appleseed sower, foundations spread their dollars widely, seeding new ideas, seeding new organizations and seeding new projects. But, like Johnny, they do not tend to cultivate or harvest. Once the new seed is sown, they move on. Cultivation, harvesting, and reseeding, are left to public agencies, other private institutions or local individuals.

Although a stereotype, the Johnny Appleseed metaphor carries much truth. A 1990 survey of 300 foundation, business and education leaders in 30 countries found that 80 percent of funds granted through health, education and at-risk youths programs went for new ideas; the remaining 20 percent went to identifying and replicating best practices (*Education Week*, December 14, 1994, p. 6). Foundation staff, such as Robert B. Schwartz of the Pew Charitable Trusts, have begun to recognize the limits of an educational change strategy based on model development. Increasingly, they are looking to redefine strategic philanthropy--they are looking for new, effective means to spark, sustain and spread educational reform.[1]

Persistence--a willingness to commit resources to an issue or institution for a five to ten year period--will need to be an operating principle of strategic philanthropy. A common understanding in the literature on educational policy implementation is that effects will come slowly. Organizations and individuals must stay with an effort for five to ten years, allowing time for changes in the complex organizational and personnel patterns that comprise any school or school district (Odden, 1991).

Persistence, however, does not come easily for foundations. This paper, drawing on my dissertation research, identifies several sources of the dissonance persistence produces for foundations, even among those that exhibit it. Persistence has been a characteristic of the foundation role in the current school reform movement in Chicago. Many Chicago foundations have remained active in the school reform process for eight or more years. But, this tenacity has created tensions among the operating principles of the most active foundations. Three Chicago foundations, in particular, provide insights on the factors and thinking that influence the length of foundation commitment to an issue or institution.

Tentatively titled "Strategic Philanthropy in an Era of Public Fiscal Constraint--Lessons from Chicago School Reform, 1987-1993," my dissertation explores the strategies and actions of private foundations in shaping and implementing public school reform policy. The scenario in question is the role of Chicago-based foundations in the city's current school reform movement--the centerpiece of which is the 1988 Chicago School Reform Act, a state law mandating decentralization of school governance. Comparative case studies are being developed on three of the most active foundations in the reform movement: the Chicago

Community Trust, the Joyce Foundation, and the Woods Fund of Chicago. The study's methods entail archival research, interviews, grant data analysis and participant-observation (I oversaw the Joyce Foundation's education program from 1986-1990).

These three foundations vary in structure, size and orientation. Founded in 1914, the Chicago Community Trust is the second oldest, and third largest, community foundation in the United States. In 1993, with assets over $291 million (based on contributions since 1914 from thousands of Chicago individuals, families and corporations), the Trust awarded over $27 million in grants to nonprofit organizations in the Chicago area for work on health, social services, arts and humanities, education, and civic affairs. The Joyce Foundation, created in 1948 by Beatrice Joyce Kean, has been an independent foundation since her death in 1972. Focusing its resources on the Midwest, Joyce concentrates on conservation, culture, economic development, education and gun violence. In 1993, with assets of over $489 million, Joyce awarded nearly $19 million in grants; about half went to Chicago initiatives. Founded in 1941 by the Frank H. Woods family, the Woods Charitable Fund grew through additional family contributions in 1952 and 1955, and subsequent gifts from the family-owned Sahara Coal Company. Always considered an independent foundation, with only two of six board members from the Woods Family and assets larger than the typical family foundation, Woods limited its grants to Lincoln, Nebraska and Chicago until the end of 1993. Now there are separate foundations for the two communities: the Woods Charitable Fund in Lincoln and the Woods Fund of Chicago. With assets of approximately $37 million, Woods awarded over $1.8 million in 1993 to Chicago nonprofits for community organizing, public policies affecting families, community and civic issues, education, and the arts and humanities.

WHY STUDY CHICAGO?

Chicago school reform is an excellent case for studying the role of local private foundations in the development and implementation of local public policy. The 1988 Reform Act is uncommon public policy. Many scholars and commentators have described the law as the most radical state legislative act of the century regarding urban public schools (Elmore, 1991; Finn, 1991; Katz, Fine & Simon, 1991; and Kirst, 1991).

Foundations have been a factor in the reform movement's evolution. Nonprofit organizations, largely funded by Chicago-based foundations, were vital to the Reform Act's development, passage and implementation. An early history of the reform movement highlights the availability of private funding for nonprofit research and advocacy groups, and community-based organizations, as one of the major lessons that Chicago school reform offers other initiatives to change local public policy (O'Connell, 1991). Foundation involvement with public school reform predates the 1988 Reform Act. The Trust, Joyce and Woods, for example, began work on aspects of reform in the 1970s and early-1980s. But, from 1988 onward, Chicago foundations escalated their reform efforts to levels never before seen in the city.

Chicago reform deals with elementary and secondary public education--a growth area for foundations these past twelve years. Education has been the major interest of foundations since the 1920s (Lagemann, 1992). In 1990, for example, education received nearly 26 percent of grant dollars. The next largest categories were health and human

services, at 17 and 14 percent respectively (Foundation Center, 1992). Higher education has always dominated foundations' educational giving (receiving $674.7 million in 1990 to elementary and secondary's $280 million), but the gap has narrowed over the past decade. Between 1983 and 1988, support for K-12 education increased 48 percent, while higher education increased 32 percent. Since 1988, the shift has continued: 75 percent of education grants went to colleges and universities in 1989; by 1991 it had dropped to 70 percent (Foundation Center, 1991; Renz, 1991). The force behind these changes was the growing belief--started by the landmark 1983 report *A Nation at Risk*--that public education was failing. According to Theodore Lobman, president of California's Stuart Foundations, and a leader during the 1980s of the Council on Foundations' Precollegiate Education Group, the last decade was when "private and corporate foundations gave voice to complaints that American schools were failing to meet national needs...[and] helped finance some of the remedies" (Lobman, 1992, p. 382).

Chicago also is a story about the actions of foundations in their own backyards--it is a case of local philanthropy intervening in local public policy. The foundation role in federal (and national) policy has been carefully studied (Karl, 1976; Mavity & Ylvisaker, 1977; Karl & Katz, 1981; Lagemann, 1983; Ostrander & Langton, 1987; Salamon, 1987; Lagemann, 1989; Colwell, 1993; Nagai, Lerner & Rothman, 1994;). Such is not the case for local public policy. Cases of intensive grantmaking and staff work in local education policy have not been explored in a scholarly manner.[2] My experiences at the Joyce Foundation suggest that the role and influence of foundations vary whether they are working on home-turf or farther afield, especially when the public policy issues are complex and contentious.

Finally, the Chicago story is about revenue neutral state policy. A key agreement for the Reform Act's passage was that it not come with new funds for the city's schools (O'Connell, 1991). Only $1,500 was provided per school for implementation of the Act. The era of public fiscal constraint--first brought by the tax revolts of the late-1970s and the 1982 recession--is entering its second decade, and has been given new life by the November, 1994 elections. Thus, for those foundations and nonprofits which established their mode of operation in a time of relative plenty (1950s through the mid-1970s), the dilemma from the early-1980s onward has been learning how to leverage public policy in a time of public fiscal constraint and crisis (Nielsen, 1985; Osborne & Gaebler, 1992). The three foundations at the center of this study provide some lessons on new approaches. Since the mid-1980s, they have been attempting, with their limited private funds, to leverage changes in the policies and practices of the Chicago public schools.

THE DILEMMA OF PERSISTENCE

Once the Reform Act was signed into law, Chicago's foundations pumped funds into reform implementation. From 1987-1990, the ten most active educational foundations in the city--including the Trust, Joyce and Woods--made over $13 million in grants to school reform initiatives. Indeed, by 1990 over 100 nonprofit organizations were working on school reform with grants from Chicago foundations. (McKersie, 1993)[3]

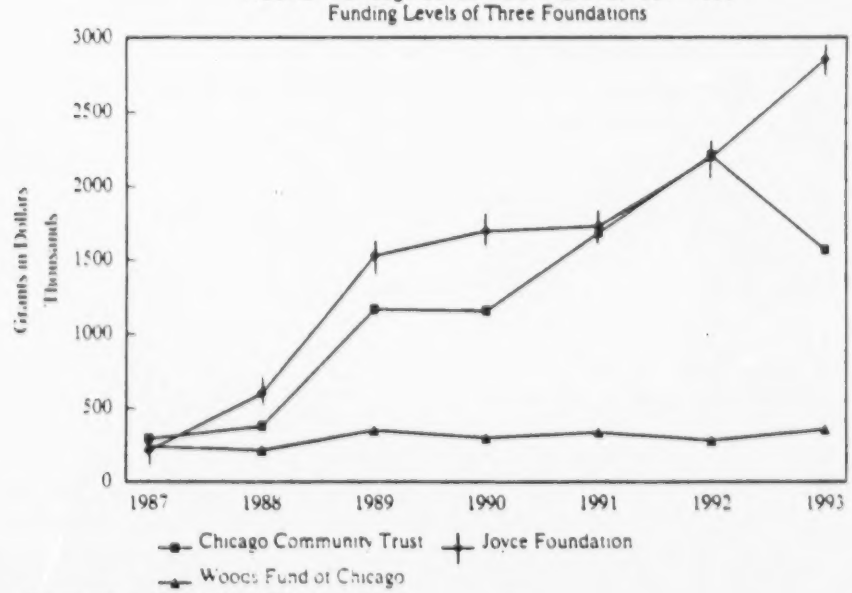
Several characteristics mark the 1987-1990 period of foundation support for reform. By and large, Chicago's foundations reacted to the act--their funding for initiatives related to the substance of the Reform Act jumped from about $2.0 million in 1988 to about $4.0

million after the Act's passage in 1989, and rose to over $6.4 million in 1990. But, several foundations helped set the stage with well-timed grants (totalling $1.07 million in 1987) to citywide advocacy groups and community-based organizations that developed and fought for passage of the Reform Act. Another characteristic--that most foundations hedged their bets on reform--was apparent throughout the 1987-1990 period. Assessed in the aggregate, the ten most active educational foundations never gave more than 30 percent of their annual education budget to reform. Three additional characteristics indicate that the foundations assumed responsibility for the Reform Act's implementation: providing support for activists and organizers; awarding several grants to the school system, although few directly to schools; and, funding the universities and independent reform programs that became active in reform following the Act's passage. (McKersie, 1993)

Now, in considering the 1987-1993 period and the particular work of three foundations, several new characteristics of the foundation role become apparent. The first of these is persistence. At the end of 1993, the Trust, Joyce and Woods were completing at least their seventh year of supporting ideas and organizations central to the city's school reform movement. Figure 1 shows each foundation's level of funding through the end of 1993.[4] A strong upward trend is clear for the Trust and Joyce, save the drop in Trust funding in 1993. Woods exhibits stable funding for the seven years. (These three were not alone: combining their figures with those of the rest of the ten most active foundations, funding for reform exceeded $10.4 million in 1993, an increase of 60 percent since 1990.)

Persistence also is apparent with the proportions of support for reform, depicted in Figure 2, relative to each foundation's total and education budgets. Despite being just one of many priorities, school reform garnered a larger and larger share of each foundation's educational budget over time, exceeding the 30 percent level found in the earlier, aggregate analysis of the ten most active foundations. While all three persisted, they devoted distinct budget portions to school reform, with Woods above Joyce and the Trust.

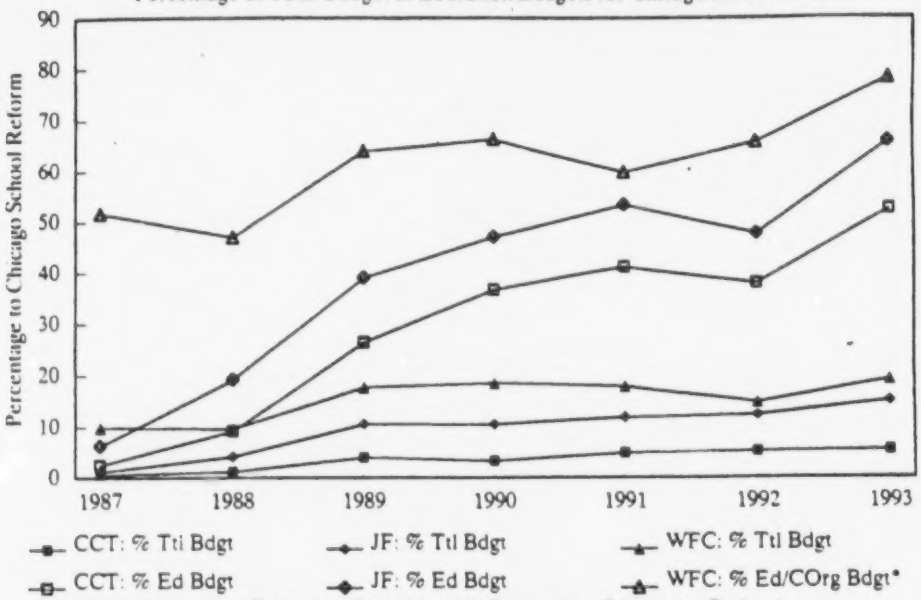
FIGURE 1: Chicago School Reform Grants, 1987 – 1993
Funding Levels of Three Foundations



Figures are in 1993 dollars (CPI adjusted).

4

FIGURE 2: Chicago School Reform Grants, 1987–1993
Percentage of Total Budget & Education Budgets for Chicago School Reform



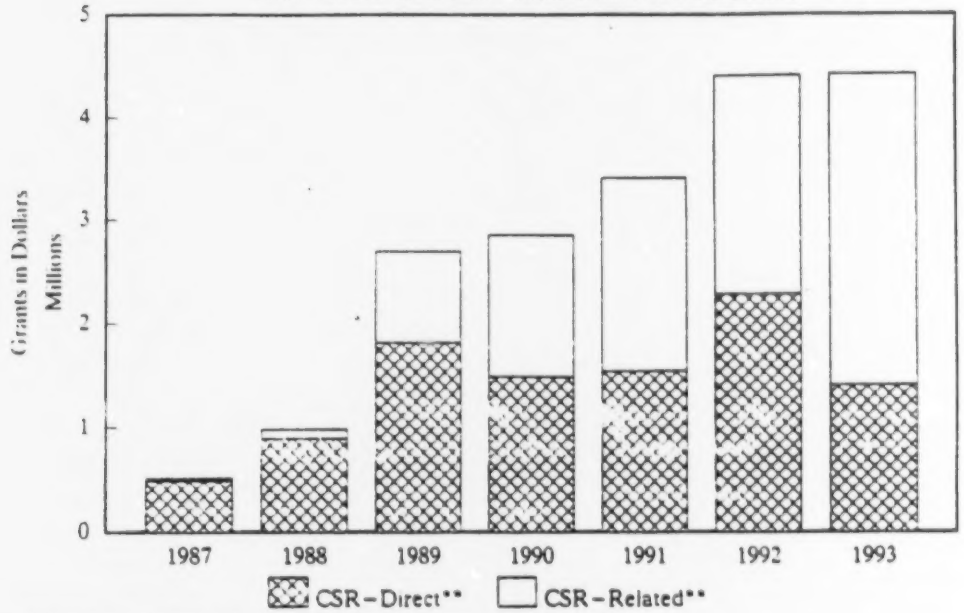
*WFC Denominator = (Education Budget)+(1/2 Community Organizing Budget)
Percentages are based on figures adjusted to 1993 dollars (CPI adjusted).

Considering the "three years and out" stereotype of foundation-grantee relations, seven-plus years of funding is notable. Persistence, as portrayed by these three foundations, entails both a commitment to *issues*, the substance of the reform, and *institutions*, the particular organizations working on reform. Looking first at *issue persistence*, the story is complicated, yet instructive. The foundations' grants have been categorized as either directly advancing the Reform Act (CSR-Direct) or as reform related (CSR-Related). Grants that are CSR-Direct advance specific structures or mandates of the Reform Act, such as local school councils; whereas, CSR-Related grants are those that occur because of the Reform Act, but do not advance its structures or mandates. This categorization reflects the fact that as the reform movement matured, the popular definition for school reform broadened. In 1988 and 1989, school reform was seen as solely parent and community empowerment and governance reform. After 1989, as new groups and individuals were attracted to school reform, the definition broadened beyond governance to curriculum, instruction and school organization (CSR-Related). Nevertheless, funding was still needed for the Act's implementation (CSR-Direct).

This categorization tracks how the foundations balanced their support between these often competing conceptions of the reform issue. As Figure 3 depicts, the proportion of grants from the Trust and Joyce that were CSR-Direct dropped from 96 percent in 1987 to an average of 45 percent from 1990 to 1993. For these two foundations, issue persistence depended on expanding support beyond the governance focus of the Reform Act to initiatives working with school professionals or promoting comprehensive reform of schools

and the school district--efforts that were aligned with professional development and school restructuring, their top education priorities. Woods, on the other hand, devoted nearly all its reform funds to efforts that directly advanced the Reform Act. The Act's emphasis on parent and community empowerment as the means to educational renewal matched Woods' overarching interest in community organizing for the sake of public policy change. Simply stated, the nature of issue persistence depended on how well the issue fit, or could be bent to fit, each foundation's larger priorities.[5]

FIGURE 3: Chicago School Reform Grants, 1987–1993
CSR–Direct versus CSR–Related for Two Foundations*



*Two Foundations: Chicago Community Trust, Joyce Foundation.
Figures are in 1993 dollars (CPI adjusted).

**CSR-Direct: Support for structures or mandates of the Chicago School Reform Act.
CSR-Related: Support for initiatives linked to the Act, but not addressing it specifically.

Institutional persistence was also demonstrated by the Trust, Joyce and Woods. That is, they maintained support for particular organizations across the entire period. The number of organizations receiving grants rose from an average of eight in 1987 to 28 in 1993, with the increases leveling off after 1989 for each foundation. A core group of organizations received nearly yearly support for the seven years. Table 1 below shows that the top 10 recipients received five to seven grants over the seven years, representing at least 55 percent of the foundations' school reform budgets; the top 20 grant recipients received four to six grants, representing at least 76 percent of the reform budgets.[6] In other words, the majority of reform organizations that delivered on their proposals could expect annual renewals for at least four to six years.

Table 1 -- Measures of Institutional Persistence: Mean Number of Grants Per Year to Reform Organizations, 1987-1993

	CCT	JF	WFC
Mean # Grants: Top 10 CSR Grantees	5.0/Grantee (Low=2, High=9)	7.3/Grantee (Low=3, High=12)	6.0/Grantee (Low=3, High=8)
Percent of CSR Funds: Top 10	77%	55%	60%
Mean # Grants: Top 20 CSR Grantees	3.85/Grantee	5.50/Grantee	5.05/Grantee
Percent of CSR Funds: Top 20	95%	76%	81%
Mean # of Grants: All Other CSR Grantees	1.2/Grantee (10 Grantees)	2.26/Grantee (47 Grantees)	2.41/Grantee (22 Grantees)

The Sources & Tensions of Persistence

These three foundations demonstrated issue persistence and, to a lesser degree, institutional persistence. But, where did it come from, why was it slightly lower for the Trust, and what tensions did it create?

For Joyce and Woods, persistence is rooted in their overriding interest in public policy. Their top priority, crosscutting all their grant programs, other than the arts, is helping develop and implement public policies that address fundamental societal needs. Explicitly and implicitly, the heads of both foundations have stated that persistence--especially issue persistence, but also institutional--is vital for good public policy grantmaking. According to Craig Kennedy, president of the Joyce Foundation from 1986-1992, an attribute of foundations, at least in theory, is an ability to stay with an issue over a long period because they do not need to follow popular trends. Although most foundations have not met this potential, staying power has been vital to Joyce's public policy work. It has helped the Joyce staff and board develop issue expertise, thereby improving the foundation's grantmaking. Mastering the complexity of their major program areas--conservation, education and economic development--requires sustained attention. Patience must rule, for both the issues and institutions central to public policy.

> In our three major program areas, Joyce has made a long term commitment to specific issues, ideas and, in some cases institutions. We are realistic about the challenges we tackle in these areas. We come to cherish small victories...[for example,] we are realistic about what can be accomplished when addressing the glaring weaknesses of big city schools systems...We invest in people and institutions who have a similar long view and commitment. (Kennedy, 1987, pp. 6-7)

Jean Rudd, executive director of the Woods Fund of Chicago since 1983, asks in the

opening letter of the 1989 Annual Report, "When is Too Much or Not Enough?" One of the hardest things for foundations, in Rudd's view, is deciding when to stop funding a longtime grantee, especially when the grantmaking priority is promoting broad community involvement in public policy, as it is for Woods. After a decade of funding public policy, Woods has learned that "[public policy] is long haul grantmaking...Both nonprofits and foundations have a learning curve requiring flexibility and long-term involvement" (Rudd, 1988, p. 11). Similar to Joyce, Woods has found that policy funding takes time because it is labor intensive and requires foundation personnel to continually educate themselves.

Woods and Joyce distinguish between issue and institutional persistence. Woods, for example, tries to limit organizations to five to six years of funding in a given decade, even though the Fund's interest in a particular issue typically lasts longer. Rudd believes the resulting tension--between issue and institutional persistence--is inherent to the ideal foundation role in public policy.

> The foundation role is not to provide sustaining support, like the United Way. The role is to help the nonprofit sector look ahead, stimulate studies, demonstrate and advocate new concerns and opportunities to bring about useful change...It is a mathematical reality that foundations cannot support new and upcoming issues, creativity and leaders unless it ceases funding others. Our hardest work, our most serious assignment as trustees and staff, is to make the hard judgements on when to start and stop funding. (Rudd, 1989, p. 5)

In a 1989 essay reflecting on Joyce's involvement in Chicago school reform, Kennedy underscores the difficulties posed by a tenacious role in public policy movements. Kennedy feared that Joyce might loose its capacity to listen to contrary opinion, perceive problems and weaknesses, or make independent judgements because it was deeply tied to the school reform movement. To avoid this trap, Joyce took several steps in the early implementation of reform that created tensions for both issue and institutional persistence. While funding the Act's implementation, Joyce invited critical voices (of the Act) to meet with the staff and board, brought outside experts to Chicago to observe school reform and comment, and joined with other foundations to push early evaluation of the Act.

Another source of tension for persistence was the difficulty of balancing Joyce's broad agenda as a regional foundation with the needs of the school reform movement. Once the Reform Act was passed, for example, Joyce and other foundations received many requests for parent and community training projects to facilitate implementation of the local school councils. Joyce funded some, but believed that training should be supported by public dollars. In general, despite the immediate needs and wants of its partners in the reform organizations, Joyce focused its money on comprehensive, long-term efforts. In other words, Joyce's preferred mode of persistence was not necessarily the mode preferred by reform's nonprofit leaders.

The Chicago Community Trust exhibited less tenacity, at least institutional, than either Joyce or Woods. One explanation is the structural difference between a community foundation and private (independent) foundations. By law, community foundations are far

more accountable to the public than private foundations. The Trust's Charter states that it is established to serve the current and future needs of the Chicago metropolitan area. Beyond community service, the Trust's top priority is "the protection, growth and distribution of the [donors'] income...in perpetuity" (*1986 Annual Report*, p.2). "Endowed by the community for the community," the Trust is comprised of over 240 donor-established funds, which the Trust must expand through fundraising. About half its funds are unrestricted, giving the board and staff flexibility in grant decisions. The other half are in some way restricted by past donor stipulations or ongoing donor consultation. To ensure both community responsiveness and donor service, the Trust is overseen by a 13-member, publicly appointed executive committee of the board.[7] In contrast, Joyce and Woods have permanent endowments that grow through investment income (they do not fundraise). Their boards are privately selected and, assisted by professional staff, freely set geographic and programmatic priorities.

Two operating principles--stewardship and maximum flexibility--arise from the Trust's structure, explaining much of its record regarding persistence. Stewardship reflects the Trust's mission as an entity "endowed by the community for the community...for perpetuity." Not only must the Trust meet "the varied and changing needs of the community," it must ensure that its funds are available in the future. More than making grant decisions, the executive committee, trustees and staff manage and protect donors philanthropic funds. In addition, because of the need to continually raise funds, the Trust must operate so it is perceived as wise and stable by potential donors. Statements similar to the following are found throughout the annual reports for 1987-1993.

> If the minutes of all of [the executive committee] meetings over the past 14 years [of my tenure] could somehow come alive, they would tell so much more than simply grants made and fiscal and administrative actions taken. They would speak...of the strong conviction of the absolute necessity of following the dictates of the donor, and of an overwhelming desire to be effective in carrying out the Trust's broad charge of concern for the well-being of the residents of the greater Chicago community. (Newman, 1986, p. 12)

> The story of The Chicago Community Trust is the story of the thousands of people who over the years have contributed to this permanent endowment fund established for the benefit of the residents of the greater Chicago community. It is these people who have through their gifts and bequests provided the funds that have, over the 76 years, enabled this important community endowment fund to respond to the varied and changing needs of the community. It also is the story of the people who have been and continue to be involved in the stewardship of the important community asset: the executive committee, the trustees and the staff. (*1991 Annual Report*, p. 1)

If stewardship ensures the Trust's future, maximum flexibility ensures that the Trust makes a difference in the future. "Not only may purposes which were once pressing become obsolete, but ones now unknown may later become urgent." Bruce Newman, executive

director of the Trust for over 20 years, used this phrase in the *1988 Annual Report* to convey the driving idea behind maximum flexibility. Purposes now unknown, may later become urgent; and when they do, the Trust must have the flexibility to respond. Newman outlined maximum flexibility in 1974, in his second annual report to the Trust. "Assurance of maximum flexibility for the foundation," he wrote, "is basic to community foundation operations...the community foundation concept is predicated on flexible funds..." Thus, in practice, using Trust funds for on-going, operating support of established programs was unwise. If the Trust's relatively limited funds were used in this way, Newman believed their impact would be negligible. Stated differently, not only are future urgencies now unknown, but the real power of Trust funds is their flexibility, not their size.

Stewardship and maximum flexibility have been fundamental to the Trust's actions. While both principles prompt the Trust to have a long-term orientation, they also mean that the Trust may not stay with efforts over the long-term. Striving to ensure future flexibility, in order to be a good steward, the Trust may not continue beyond several years with any particular issue or institution. With Chicago school reform, however, the Trust has demonstrated issue persistence, maintaining stable funding over the seven year period. Although the Trust demonstrated less institutional persistence than Joyce or Woods, 77 percent of its reform funds went to groups that received an average of 5 grants between 1987 and 1993 (see Table 1). As much as there was a difference between issue and institutional persistence, maximum flexibility was a factor: committed to the school reform issue, the Trust ensured financial flexibility by providing shorter segments of support for the reform institutions.

Chicago school reform presented a dilemma for the Trust's stewardship principle. Given the broad support for the reform movement and its significance in many neighborhoods, the Trust, as a community steward, had to play a role with reform. Thus, the Trust provided a couple of significant grants during the Act's development and implementation. In 1987, the Trust gave Mayor Harold Washington's office, via the Chicago Theological Seminary, $100,000 for the Mayor's Summit--a seminal citywide effort to have business, community, civic and education leaders develop school reform plans. In 1989, the Trust gave $250,000 to a business reform group (Leadership for Quality Education) to regrant to community based organizations for organizing and training candidates and voters for the first local school council elections.

But, as an entity needing to be seen as wise and stable, the Trust focused funds soon after the Act's passage on initiatives generally free of controversy and widely perceived as constructive. Sponsored by universities and independent reform programs, these efforts concentrated on school professionals, or took more comprehensive approaches than the parent-community-governance emphasis of the Reform Act. These initiatives also were considered more in the educational mainstream than those of Chicago's research and advocacy groups and community based organizations, whose work involved large doses of criticism of the school system's professionals and advocacy for parent and community control. Indeed, only the two largest reform leaders (Designs for Change and The Chicago Panel on Public School Policy) received as many as five years of funding, though at declining levels. The Trust supported the issue of school reform, but apparently was uncomfortable with the reform movement's leading groups and their focus on non-traditional reforms.

CONCLUSION

As foundations search for new strategies to promote and sustain social change in a time of public fiscal constraint, persistence will need to be an operating principle. Such is the message from the literature on public policy implementation. Change takes time, especially when the targets are schools and school districts built on complex patterns of organizational and personnel behavior. For foundations, however, persistence as a principle clashes with other, equally vital, principles. Persistence should be sought, but with an understanding of the fundamental tensions it creates for foundations.

Clues as to the sources and nature of these tensions surface when a select group of Chicago foundations, active in the Chicago school reform movement, are studied. These three foundations demonstrated tenacity, maintaining funding for reform over a seven year period. In the least, this does not fit the stereotype of foundation-nonprofit relations as "three-years-and-out." Moreover, these foundations demonstrated two types of persistence, issue and institutional, which together provide a more accurate picture of the foundations' commitment than either one alone.[8]

Persistence, as the heads of the Trust, Joyce and Woods conveyed, does not come easily. Recognized as vital to their public policy and community improvement agendas, persistence bumps against their other operating principles. In sum, four principles stand-out as sources of tension.

1. Leverage: Foundations should enable positional advantage. They should provide temporary levers for organizations and individuals identifying and solving problems. They cannot, due to limited funds, provide long-term, operating assistance.
2. Maximum Flexibility: A principle of the Trust, it also is central to Joyce and Woods. The power of foundation funds is their flexibility, not their size. They are dwarfed by both social problems and other funding sources (public and private).
3. Stewardship: Again, a principle of the Trust, but also a factor in Joyce and Woods behavior. Foundations, at least those with an eye on perpetuity, must act in the present so that their future is assured and effective.
4. Pluralism: Surfaced by Joyce, this principle was also at work with the Trust and Woods. Foundations, as institutions uniquely free of market or governmental accountability, ideally help a democratic society learn from a dynamic mix of ideas, individuals and institutions.

As new approaches to strategic philanthropy are considered, thought must be given to how these principles are turned from dilemmas into complements for persistence. Understanding and adopting these four principles, in combination with the principle of persistence, is the first step in redefining strategic philanthropy.

ENDNOTES

1. The phrase "strategic philanthropy" is drawn from Ellen Condliffe Lagemann's *The Politics of Knowledge: The Carnegie Corporation, Philanthropy & Public Policy* (1989). She uses the phrase to describe the work of the Carnegie Corporation between World War II and the early-1980s. The essence of strategic philanthropy, per Lagemann, is "finding maximally effective means to achieve agreed-upon ends." At Carnegie, it entailed "...carefully thought-through, articulated and criticized rationales for action..." (pp. 7-8).

2. Searches of bibliographic sources available through the University of Chicago Libraries (eg: Online Catalog, ERIC, Dissertation Abstracts, and open stacks browsing) and the Foundation Center library system have turned up little to no work on foundations and local education policy. I have been in contact with Lucy Bernholz, a PhD candidate at Stanford University, who is studying the influence of San Francisco's foundations on local public schools during the 1970s.

3. The ten foundations, in alphabetical order: the Chicago Community Trust, Chicago Tribune Charities, Field Corporation Fund, Lloyd A. Fry Foundation, Harris Bank Foundation, Joyce Foundation, John D. & Catherine T. MacArthur Foundation, Spencer Foundation, Wieboldt Foundation, and Woods Charitable Fund (now known as the Woods Fund of Chicago.) These foundations provided over 75 percent of all foundation funding for Chicago school reform.

4. Sources for each foundation's grantmaking record were archive documents and annual reports for the years 1986-1994. Archive documents included Board of Trustee books, minutes of Board meetings, foundation policy and planning documents, and retreat documents. Individual grants, and thus grant totals, have been adjusted so they are in payout format and in 1993 dollars (CPI adjusted). Payout format counts grants only in the year they are paid, not just the year they are approved; for example, a three year grant of $30,000 approved in 1991 would be divided into equal thirds and counted as $10,000 in 1991, 1992 and 1993. The adjustment for inflation is based on a calendar year consumer price index. Source: National Center for Education Statistics, 1994.

5. The dissertation will feature how the substantive priorities of the Trust, Joyce and Woods influenced their role with Chicago school reform. Indeed, each case study will be built around this relationship. The Trust's case will center on the concept of "responsive leadership," and how this played out through school reform. Joyce's case will center on how its priority for school restructuring and systemic change affected its reform funding. Woods' case will center on how its reform funding was shaped by its major interest in community organizing and public policy

development.

6. These means are representative. Six of Joyce's top 10 organizations are within two grants of the mean; for the Trust and Woods, respectively, eight and nine of the top 10 organizations are within two grants of the mean.

7. The 13 members of the Chicago Community Trust's Executive committee are appointed as follows: Chief Judge of U.S. District Court, 2; Presiding Judge of the Probate Division of the Circuit Court, 2; Mayor of Chicago, 1; President of Northwestern University, 1; President of University of Chicago, 1; Chair of United Way-Crusade of Mercy, 1; and, five by the Trust's Trustee Committee.

8. Some leading reform organizations believe that overall support for reform decreased after 1990 and 1991. Considered in terms of issue and institutional persistence, changes occurred that could lead some reform leaders to this mistaken conclusion. That is, support for their institutions, or their particular cut on the issue of reform, might have decreased, even though in the aggregate support for reform increased from 1987-1993.

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